(c) GOI counter-guarantee has been provided to six power projects, with escrow cover as a condition out of which the 744 MW Dabhol Project (Phase-I) of M/s. Dabhol Power Company (DPC) and 216 MW Jegurupadu project of M/s. GVK Industries Ltd. have been commissioned. The Dabhol project is presently shut down due to legal disputes between DPC and Maharashtra State Electricity Board. The 250 MW Neyveli-Zero Unit project of M/s. STCMS Electric Co. has achieved financial closure and is under construction. The counter guarantee issued to the 1082 MW Bhadrawati project of M/s. Central India Power Co. and the 1040 MW Visakhapatnam project of M/s. Hinduja National Power Corporation Ltd. has lapsed due to inability of the projects to comply with the counter guarantee conditions. Counter guarantee given to the 420 MW lb Valley project (units 3 and 4) of M/s. AES lb Valley has also lapsed. The project parameters have been changed with the newj^pacity as 500 MW (Units 5 and 6) and fresh counter guarantee been been issued due to the State Government not being able to accept the prescribed conditions. The counter guarantees issued to the above mentioned clauses have provision for escrow cover by the respective State Government.

(d) No, Sir.

(e) Does not arise.

Pulling out of Foreign Companies from Power Sector

1578. SHRI J. CHITHARANJAN:
SHRI N.R. DASARI:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that most of the foreign companies who had planned massive investment in Indian Power Projects have pulled out;

(b) if so, which are these companies and the details of the projects they had plans to make investments; and

(c) the reasons for their withdrawal?

THE-MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) As per information available with us, ihe details of foreign investors who have withdrawn from power projects, are mentioned below:

(i) M/s Cogentrix Energy Inc., withdrew from the 1013.2 MW Mangalore Thermal Project, Karnataka. No reasons for the withdrawal were indicated by the company.

(ii) M/s Electricite de France, a French Power Company, conveyed its decision to withdraw from the 1082 MW Bhadrawati Thermal Plant in Maharashtra. The following reasons were indicated from pulling out from the project;

(i) Inordinate delay in getting clearances from various authorities.

(ii) A very high coal price sought by the coal supplier.

(i[i]) Lack of proper commitment to escrow arrangements.

(iii) In the case of the Maheshwar Hydel power project (10x40MW), Madhya Pradesh, M/s Bayerwerk View decided to pull out due to non project specific reasons. M/s Ogden Energy, USA, exited from the same project due to its own reason *viz.,* internal restructuring and changed business focus.

(iv) In the case of the 1070 MW Korba East Thermal Project, M/s Daewoo Power (India) Ltd. gave termination notice to the Government of Madhya Pradesh on 14.8.2000 citing inability of the Madhya Pradesh Electricity Board to provide payment security.

(v) In the case of the 420 MW Bakreshwar Thermal project in West Bengal units 4 & 5, the Government of West Bengal, informed that M/s Bakreshwar Power Generation Co. Ltd., which is the Joint Venture Company set up by the West Bengal Power Development Corporation, M/s DCL and M/s Ogden Energy Asia Pacific Ltd., for setting up the project, has since been wound up and M/s Ogden Energy Asia Pacific has exited from the Joint Venture Company.

(vi) In the case of the 6x660 MW Hirma Thermal Power Project, which is being developed as a mega power project, the foreign promoters of the project, M/s. Mirant Asia Pacific Ltd. have announced their withdrawal from the project stating that several key milestones for activities relating to payment security

mechanism, Fuel Supply Agreement, Implementation Agreement and Transmission Services Agreement had not been met.

(vii) In the case of the 150 MW Gouripore Thermal Power Project in West Bengal, the State Government have revoked the authorization under Section 18A given to M/s. Gouripore Power Company Ltd. and have authorized West Bengal Power Development Corporation to establish, own, operate and maintain the Gouripore Thermal Power Project with a revised configuration of 2x125 MW.

Inability of the State Electricity Boards to provide adequate payment security cover to the private sector power projects, which is a requirement of the project developers and more particularly the financial institution, has been one of the main reasons due to which the majority of private sector power projects could not achieve financial closures in spite of progressing well on other fronts.

Power Generation in J and K

1579. MIRZA ABDUL RASHID: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that power generation potentiality upto 20,000 MW is available in Jammu & Kashmir;

(b) whether it is also a fact that in the last fifty years only one thousand MW, power has been generated in Jammu and Kashmir;

(c) whether it is also a fact that State Government purchases power of eleven hundred crores annually for the State from its limited and meager resources; and

(d) whether Government propose to clear maximum Hydro-Projects and approve it extending special amount to the State?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) According to studies on Reassessment of Hydro-electric potential carried out by CEA during 1978-87, the hydroelectric (HE) potential of Jammu and Kashmir was assessed at 14146 MW ... terms of installed capacity. At present 18.57% of the assessed potential of Jammu and Kashmir State is either developed or is under various stages of development.